

Amendments to the Claims

Please amend claims 18, 27, 30, 32 and 33. Please add new claims 34-41. The Listing of Claims below will replace all prior versions of the claims in the application:

Listing of Claims

1-17. (canceled)

18. (Previously presented) A computer-implemented system for the automated trading of ~~U.S. Treasury, Liquid Agency, and Zero Coupon Strip~~ financial instruments, ~~in order to handle an offsetting trade, an offsetting trade being a trade of a financial instrument executed within a predefined period of time of another trade of a same financial instrument~~, comprising:

an updatable database ~~for receiving that receives~~ real time price and quantity information pertaining to each of a plurality of financial instruments from a market data feed, the plurality of financial instruments constituting an offering inventory ~~and each financial instrument being one of a U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument~~; and

a computer implemented system proprietor ~~[[for]]~~ that automatically:
receives a first order to execute a first trade of a selected financial instrument at a first price determined from the real time price information of the market data feed;

forwards the first order to a trading system to execute the first trade at the first price;

receives a second order to execute a second trade of the selected financial instrument at a second price determined from the real time price information of the market data feed;

identifies the second trade as an offsetting trade of the first trade of the selected financial instrument, wherein the offsetting trade is a trade of the selected financial instrument that is received within a predefined period of time after forwarding the first order to the trading system for execution;

determines a price improvement value based on the first price for the first trade of the selected financial instrument and the second price for the offsetting trade of the selected financial instrument; and

applies the price improvement value to at least the first price for the first trade of the selected financial instrument, resulting in an adjusted first price for the first trade, prior to execution of the first trade at the trading system

~~(1) identifying a trade of a selected one of the financial instruments in the offering inventory to be executed, (2) determining whether or not the trade to be executed is an offsetting trade, and, (3) when the trade to be executed is determined to be an offsetting trade, applying a price improvement process to the offsetting trade that improves a price of the offsetting trade for at least one party to the offsetting trade,~~

~~—————said step of applying the at least one price improvement process comprises the system proprietor:~~

~~—————capturing a bid price and an offer price for the selected financial instrument from the offering inventory; and~~

~~—————computing an improved price for trading the selected financial instrument that is an improvement to the first order price, said improved price being between the bid price and the offer price;~~

~~—————said system proprietor forwarding the offsetting trade to a remote public exchange for execution at the improved price, and updating the database and the offering inventory to reflect transactions forwarded by the system.~~

19. (Previously presented) The system of claim 18, said system proprietor being further for canceling or revising orders.

20. (Previously presented) The system of claim 18, the system notifying a user that an order has been executed.

21. (Previously presented) The system of claim 18, further comprising an interface for providing a user with the capability to manually update the offering inventory.

22. (Previously presented) The system of claim 18, said system proprietor automatically updating the offering inventory.

23. (Previously presented) The system of claim 18, the market data feed being provided by at least one Interdealer Broker.

24. (Previously presented) The system of claim 23, the market data feed being reformatted to record-based data prior to entry into the system.

25. (Previously presented) The system of claim 18, further comprising a filter for removing incorrect market data from the offering inventory.

26. (Previously presented) The system of claim 18, the system proprietor being operative to determine a derived price for the selected financial instrument, the derived price being calculated by:

(a) determining a spread between a last transaction price and a desired transaction benchmark for the selected financial instrument;

- (b) determining a current existing price of the desired transaction benchmark; and
- (c) adding the spread to the current existing price of the transaction benchmark.

27. (Currently amended) The system of claim 18, the system proprietor generating a confirmation of the first trade after execution thereof.

28. (Previously presented) The system of claim 18, the system providing the user with the capability to manually enter interfirm or dealer to dealer trades for execution.

29. (Previously presented) The system of claim 28, the system automatically updating the offering inventory in accordance with the manual trade.

30. (Currently amended) The system of claim [[18]] 34, the second price of the offsetting trade prior to application of the price improvement ~~process~~ value being a national best bid and offer price.

31. (Previously presented) The system of claim 30, said system proprietor being further for converting the national best bid and offer price to a derived price in the event the national best bid and offer price is not available.

32. (Currently amended) The system of claim 18, offsetting trades being executed at an execution price and the price improvement ~~process comprising computing~~ value being determined from an average of the execution prices of a plurality of offsetting trades and applying the ~~average of the execution prices~~ price improvement value to at least one of the offsetting trades.

33. (Currently amended) A computer-implemented data processing method for the automated trading of ~~high liquidity financial instruments in order to handle an offsetting trade, an offsetting trade being a trade of a financial instrument executed within a predefined period of time of another trade of a same financial instrument, each financial instrument being one of a U.S. Treasury, Liquid Agency, and Zero Coupon Strip financial instrument, said method~~ comprising;

receiving, in an updatable database, real time price and quantity information pertaining to each of ~~[[the]]~~ a plurality of financial instruments from a market data feed; ~~[[and]]~~

receiving a first order to execute a first trade of a selected financial instrument at a first price determined from the real time price information of the market data feed;

forwarding the first order to a trading system to execute the first trade at the first price;

receiving a second order to execute a second trade of the selected financial instrument at a second price determined from the real time price information of the market data feed;

identifying the second trade as an offsetting trade of the first trade of the selected financial instrument, wherein the offsetting trade is a trade of the selected financial instrument that is received within a predefined period of time after forwarding the first order to the trading system for execution;

determining a price improvement value based on the first price for the first trade of the selected financial instrument and the second price for the offsetting trade of the selected financial instrument; and

applying the price improvement value to at least the first price for the first trade of the selected financial instrument, resulting in an adjusted first price for the first trade, prior to execution of the first trade at the trading system

performing automatically the steps, in a computer implemented system proprietor, of (1) identifying a trade of a selected one of the financial instruments in the offering inventory to be executed, (2) determining whether or not the trade to be executed is an offsetting trade, and, (3) when the trade to be executed is determined to be an offsetting trade, applying a price improvement process to the offsetting trade that improves a price of the offsetting trade for at least one party to the offsetting trade,

_____ applying the at least one price improvement process comprising the system proprietor:

_____ capturing a bid price and an offer price for the selected financial instrument from the offering inventory; and

_____ computing an improved price for trading the selected financial instrument that is an improvement to the first order price, which improved price is between the bid price and the offer price;

_____ comprising further the method steps of forwarding the offsetting trade to a remote public exchange for execution at the improved price; and

_____ updating the database and the offering inventory to reflect transactions forwarded by the method.

34. (New) The system of claim 18, wherein the system proprietor automatically applies the price improvement value to the second price for the offsetting trade of the selected financial instrument, resulting in an adjusted second price for the offsetting trade, and forwards the second order to the trading system to execute the offsetting trade at the adjusted second price.

35. (New) The method of claim 33, further comprising:
applying the price improvement value to the second price for the offsetting trade of the selected financial instrument, resulting in an adjusted second price for the second trade, and
forwarding the second order to the trading system to execute the offsetting trade at the adjusted second price.

36. (New) The system of claim 18 wherein the price improvement value is determined based on an average of the first price for the first trade of the selected financial instrument and the second price for the offsetting trade of the selected financial instrument.

37. (New) The method of claim 33 further comprising:
determining price improvement value based on an average of the first price for the first trade of the selected financial instrument and the second price for the offsetting trade of the selected financial instrument.

38. (New) The system of claim 18 wherein the price improvement value is determined to make the adjusted first price for the first trade of the selected financial instrument equal to the second price for the offsetting trade of the selected financial instrument.

39. (New) The method of claim 33 further comprising:
determining the price improvement value to make the adjusted first price for the first trade of the selected financial instrument equal to the second price for the offsetting trade of the selected financial instrument.

40. (New) The system of claim 18, wherein the predefined period of time is between 15-30 seconds, inclusive.

41. (New) The method of claim 33, wherein the predefined period of time is between 15-30 seconds, inclusive.